

MINUTES
Board of Trustees
Finance and Facilities Committee
January 17, 2025

MEMBERS PRESENT: Dus Rogers, Senator Arthur Orr, Mike McCoy, Jonathan Craft, Dr. Catherine Wehlburg, Chad Kyle, Gabrielle McGraw, Mike Underwood, Kim Bell, Russ Johnson and Barbara Ferguson, reporting.

Mr. Rogers called the meeting to order at 1:15 pm. After roll call, the committee reviewed and accepted the minutes from October 18, 2024. With no old business to address, the committee moved to new business.

The first item of new business was the financial summary for the quarter ended 12/31/2024. Mr. Craft shared with the committee that revenues are approximately \$19.8M and expenditures are approximately \$10M. Overall, revenues over expenditures is \$9,819,921. He pointed out that most of the line items are around 25% of budget as expected for the first quarter of the fiscal year. Tuition and fee revenue is the exception due to when the beginning of the fall semester occurs during the academic year. He also noted that investment income is performing above budget. He noted that the excess revenues over expenses is approximately \$1.3M higher than this same time-period last fiscal year. He attributes this to an increase in the state appropriation and revenue from unbudgeted UNV credit hours.

The next item of business was budget amendment #1 to be presented for approval to the full board of trustees at today's meeting. Mr. McCoy informed the committee that the proposed amendment only affects the unrestricted budget. He explained that for the fall semester, actual revenues over budgeted revenues totaled \$628,186. Amendment #1 proposes amending the budgeted revenues by \$466,817, or approximately 75% of the \$628,186 excess revenues. The amendment proposes the following changes to budgeted expenditures:

- Learning partnership scholarships – increase of \$75,000
- New positions (Psychology faculty and 2 student success coaches) – increase of \$238,777
- PCI compliance consultant – increase of \$12,000
- Wi-Fi access consultant – increase of \$25,000
- Summer academy initiative for faculty involving stipends to 9-month faculty that attend – increase of \$111,250.

The net amended revenues over expenses proposed in the Amendment #1 is \$4,790. This amount would be transferred to reserves. After discussion, the committee voted to move the amendment forward to the full board for approval.

Next, Mr. McCoy updated the committee on the upcoming vendor contract for providing course materials. He informed the committee that the University received responses to our RFP on November 8. The potential vendors have been narrowed down and the University will soon begin contract negotiations. This is a revenue-generating contract; the vendor will pay commissions to the University. Today's discussion is just to let the board know that the plans are to have the BOT Executive Committee approve the contract at their February meeting.

Mr. McCoy provided updates on the following capital projects:

- Nazaretian House construction – project is expected to finish in May 2025
- Brown Hall renovation – project is expected to finish in June 2025
- Carter Hall Renovation – Mr. McCoy informed the committee that at today's full board meeting, there is an action item to authorize President Wehlburg to solicit bids for this project.

Mr. McCoy provided a handout detailing the cost and provided some detail about the proposed project. He indicated that Carter Hall is the only building on campus with deferred maintenance issues. It has very limited ADA accessibility. The plans include changing the main building entrance to Hobbs street where there is better parking and making improvements to the Pryor entrance as a 2nd entrance. He reminded the committee of the numerous community events held in the gym and plans are for the renovations to provide for even more use and provide a revenue stream for the University. The University already has \$5.7M in supplemental funding from the State as well as some remaining A&T appropriation from the State. Mr. McCoy projects Phase I of the project to be \$18M, Phase II to be \$6.5M, soft costs of \$5M for a total cost of approximately \$30M. The projected funding sources for this project are:

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| • Athens State University
current funds | \$12,000,000 |
| • City of Athens up-front payment | \$2,000,000 |
| • Limestone Co. up-front payment | \$2,000,000 |
| • Private Placement Debt
from city and county to cover ASU debt | \$4,000,000 |
| • Private Placement Debt – ASU | \$6,000,000 |

This leaves a shortfall of approximately \$4M that may possibly be covered by future supplemental funding or A&T funding from the State.

The agenda item for today is for the Board to allow President Wehlburg to solicit bids for this project. The Board would still need to approve any associated construction contract to be awarded from the bid process as well as any issuance of debt. Mr. McCoy anticipates bids being issued in March, opened in May, and approvals to be on the May Board agenda. At the conclusion of the discussion, the committee approved moving this item forward for the full Board meeting later today.

Finally, Jeff Powers, Chief HR Officer, informed the committee that the Staff Handbook has just been released to all staff members. He anticipates the Faculty Handbook to be released soon to faculty members.

With no further business, the meeting was adjourned at 1:56 p.m.